Lieutenant Governor of Prince Edward Island

The Honourable Lloyd G. MacPhail

May it please your Honour:

I have the honour to submit herewith the Annual Report of the activities of the Department of Industry, for the period January 1, 1986 to December 31, 1986.

Your obedient servant,

Leonce Bernard

Leonce Bernard
Minister

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PRINCE EDWARD ISLAND

DEPARTMENT of INDUSTRY

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Office of the Deputy Minister

Honourable Leonce Bernard,
Minister,
PEI Department of Industry,
P.O. Box 2000,
CHARLOTTETOWN, PEI
C1A 7N8

Dear Mr. Bernard:

I am pleased to submit herewith the Annual Report for the Department of Industry for the calendar year 1986. In the year the Department provided various programs and services to meet the needs of Island employers and employees.

Two new programs were added during the year. The Employment Development Program was announced to financially assist Island employers in hiring new staff. In fact, in the past year 383 jobs were created through the program benefitting employees by providing valuable work experience and employers in accessing required resources to complete work tasks.

In addition, information concerning the Community Economic Development Program has been provided to communities throughout Prince Edward Island. The objective of the program is to strengthen rural regions of the province through the establishment of new services and jobs. The program will assist community organizations in establishing financially viable enterprises that create jobs by offering interest rebates and by helping the community to locally finance the capital for the development.

As well, the Department was assigned responsibility for the Acadian Communities Advisory Committee while responsibility for the Charlottetown Area Development Corporation and Summerside Waterfront Development Corporation was transferred to the Department of Community and Cultural Affairs. The purpose of the Acadian Communities Advisory Committee is to present the concerns and interests of Acadians throughout the Province to the Provincial Government.

There were other changes in the Department as well. The notable personnel change was the promotion of Douglas A. Cameron, a Department of Industry employee for 16 years. We wish him well in his new role as Deputy Minister of Energy and Forestry. His persistence and dedication will be a definite asset.

With regard to the future, new initiatives are planned for 1987 which will create additional employment and training opportunities for all Islanders. The structure of the Department will be changed to enable the Department to better respond to the needs of small business throughout the province.

Staff and I are looking forward to providing quality programs and services to meet the needs of Island employers and employees.

Sincerely,

M. S. Kelly

M. S. Kelly,
Deputy Minister

DEPARTMENT MANAGEMENT DIVISION

ADMINISTRATION

The approved operating budget for the fiscal year ended March 31, 1986 was $8,928,000. Additional appropriations during the year amounted to $811,300 (Provincial Youth Development Program - $54,955, Transfer of Apprenticeship Section - $193,465, Expo '86 - $436,000 and Canadian Jobs Strategy - $126,000). Total Budget Estimates was $9,739,320 of which actual expenditures amounted to $9,249,896.

The approved revenue budget for the fiscal year was $4,621,700. Actual revenue amounted to $5,355,000. This additional revenue came primarily from four sources - (Expo '86 - $500,000, Area Industrial Commissions -$107,300, Manpower Training - $82,400 and Apprenticeship - $17,000).

A detailed financial breakdown of expenditures and revenue can be found in Appendix "A".

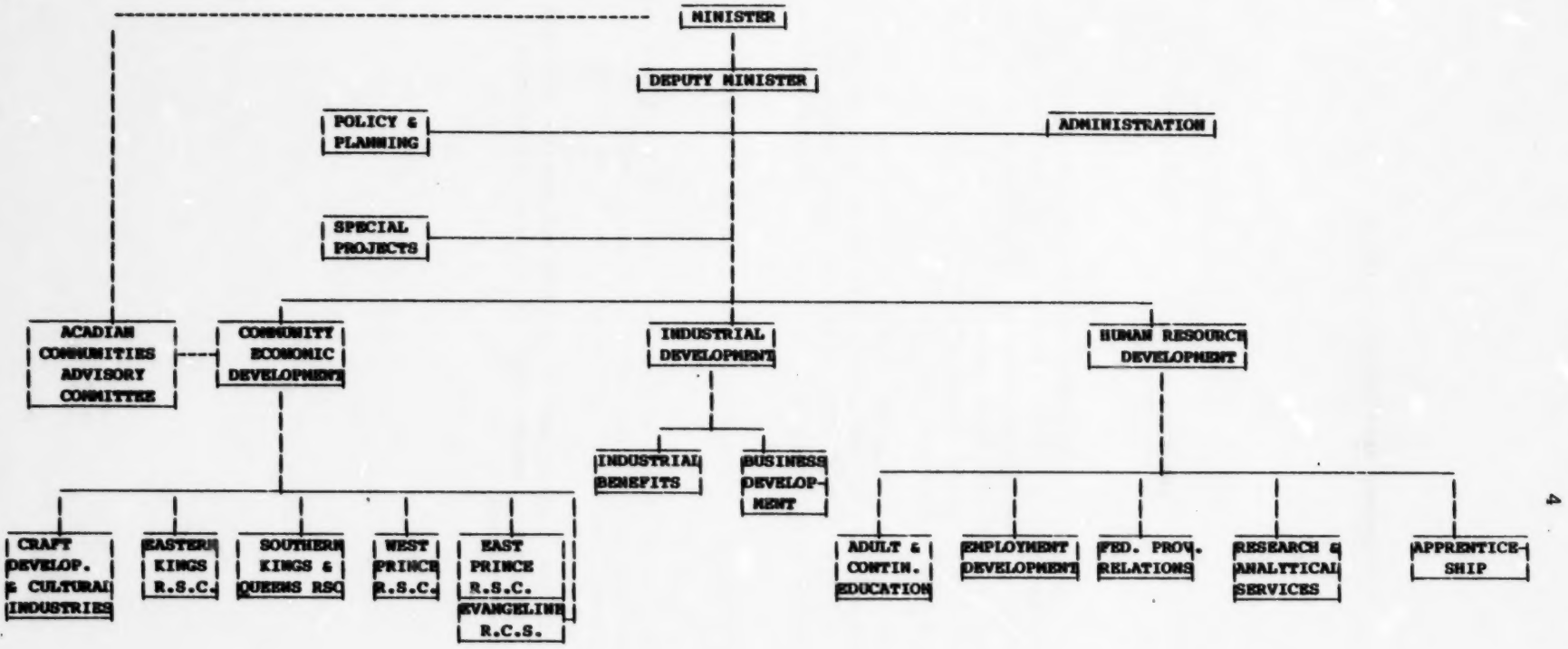
The total staff complement at December 31, 1986 was 61 employees (59 full-time, 1 part-time and 1 temporary). Figure 1, on reverse side, presents the Departmental "Organization Chart" in Division and Section form.

Primary functions carried out by the Administrative Division included accounting, personnel, management and secretarial services, budgeting and inventory control.

ORGANIZATIONAL CHART

DEPARTMENT OF INDUSTRY

December, 1986



POLICY AND PLANNING

The Policy and Planning Division is responsible for overall Departmental Policy co-ordination. The Division operates as an internal consulting/support group, responding to individual requests from line managers and the Executive. Specific responsibilities include:

- the conceptualization and maintenance of a planning framework for all Departmental operations
- development and co-ordination of Industrial Development policies and strategies
- program development
- joint program and operational planning with other Departments and Agencies (both Provincial and Federal)
- review, research and update Legislation and related Regulations
- development/review of Provincial Trade Policies
- analysis of foreign investment proposals.

In addition, the Director of Policy and Planning acts as the Secretary/Treasurer to Georgetown Shipyard's Board of Directors.

SPECIAL PROJECTS

The Special Projects area within the Departmental Management structure looks after special assignments in subjects such as science and technology, potential new areas for industrial development, Federal-Provincial matters in industrial development, to mention but three. This past year has seen the completion of a number of major assignments. A Science and Technology Strategy for Prince Edward Island has recently been approved by Government. This represented work which spanned a two-year time frame and required the involvement of a number of Federal and Provincial departments.

The Strategy, which maps out a plan for the Province if it is to use science and technology to maintain and increase its competitive position in world markets, will be implemented over the coming years through co-operative efforts between government, business and educational institutions. The Department of Industry, through the Special Projects area will take the lead role for the province in ensuring the implementation process takes place. In addition, Special Projects handles all provincial input to the Federal/Provincial effort of preparing a National Science and Technology Policy for Canada, a process which will hopefully yield positive benefits for Prince Edward Island businesses.

Another major piece of work generated by Special Projects during 1986, was the Prospecting Strategy for Prince Edward Island. While not a large document in size, it represented the first document of its kind for government, giving clear, concise direction for the Province's prospecting efforts.

Another area of investigation for Special Projects is that of the service sector of the Prince Edward Island economy - its potential for growth, and the question of government support required, if any. Work in this area should be completed early in 1987.

COMMUNITY ECONOMIC DEVELOPMENT DIVISION

The role of this Division is to act as a catalyst for the promotion of stronger Island Communities. Community based workers manage the Regional Services Centres and provide staff support to most Community Development Organizations, especially in their efforts to promote job creation through business starts.

The following report will identify the broad range of community support provided through operation of the Regional Services Centres and will expand upon the following statistical highlights.

- Approximately 1000 Community Group meetings were held in the Centres;
- Economic Development Staff attended 1,200 meetings in their Regions;
- 260,000 telephone calls were received by the Centres;
- 85,000 client visits were made.

Regional Economic teams encourage entrepreneurs to start up or expand their businesses by helping them to plan their ideas and informing them of government programs. The Venture Planning Program, Rural Business Center Program and Cottage Industry Development Program are implemented through the Regional Staff.

The Craft and Cultural Industries Section worked closely with both producers and organizations to promote the Industry. The following initiatives were delivered in 1986 to support Craft & Cultural Development:

i) Craft & Cultural Industries Grant Program;
ii) Craft & Cultural Industries Support Services Program;
iii) Craft Production Co-operative Program;
iv) Cultural Product Development Fund;
v) Cottage Industry Development Program.

A section of this report will outline the positive experience of 1986 for Craft & Cultural Industries.

Native Economic Development is another responsibility of this Division. The report will identify various worthwhile endeavours for Native people.

Regional Services & Development

The Community Economic Development division assists government's decentralized delivery of programs and encourages area organizations in their efforts to improve their communities. Staff also help many individuals plan their business ideas and make applications for various incentives.

The five Regional Services Centres offer almost every government service and provide contacts for any government service not represented in the Centre. In 1986, approximately 85,000 visitors sought service in the centres, and 260,000 telephone inquiries were received. The Centres provide a convenience to rural clients due to the one-stop shopping and close location to their homes. For government, the Centres offer an efficient method for decentralized services, as many resources are shared, such as the centre receptionists, copying equipment and boardrooms. Attention is given to a co-ordinated approach to client needs which is facilitated by the sharing of one facility.

The community volunteer organizations that actively promote development are assisted by full-time Development Workers from the Service Centres. These workers live in the community and are involved in almost every development effort being pursued. Due to this involvement, a high level of co-ordination is achieved, thus preventing duplication of efforts. In 1986, 1,200 meetings called by community groups had a Development Worker in attendance to follow up on their project idea and to offer guidance on government programs. While the direct effect of new jobs created is difficult to quantify, these workers have co-ordinated many government resources for economic development in each Island community.

The following regional tables highlight activities within each centre:

A. Regional Government Services And Usage
B. Economic Development Staff Activity
C. Venture Planning Service Listing
D. Community Project Listing

REGIONAL GOVERNMENT SERVICES AND USEAGE

DEPARTMENTS AND AGENCIES REPRESENTED AT REGIONAL SERVICES CENTRES - CLIENT STATISTICS, 1986

DEPARTMENTS	WEST PRINCE		EAST PRINCE		EASTERN KINGS		SOUTHERN KINGS & QUEENS	
	Client Visits	Phone Calls	Client Visits	Phone Calls	Client Visits	Phone Calls	Client Visits	Phone Calls
Agriculture	1,996	7,573	3,258	7,715	2,302	6,612	1,563	5,459
Artificial Breeders Assoc.		3,307		6,835				812
Canada Employment Commission	7,028	20,601	208	1,590		570	341	1,792
Community & Cultural Affairs	473	5,153	880	5,327	606	2,427	1,144	4,067
Forestry	58	216			232	658	135	499
Highway Safety					9,800	6,079	16,282	4,773
Industry	3,374	12,887	1,836	5,113	4,185	11,229	3,076	5,023
P.E.I. Housing Corporation	455	3,992	499	3,694	1,284	7,069	1,196	4,864
Public Works				10			173	1,088
Red Cross	244	923			123	540	204	1,437
Social Services	4,775	23,972			4,610	28,251	3,981	33,087
Health & Welfare Canada	249	146	1,084	2,154	363	773	361	758
Members - Legislative Assembly	41		491	1,370	812	2,290	9	133
Justice	84	1,524			548	1,182	1,077	2,943
Revenue Canada			144	452			295	695
Miscellaneous *	1,102	5,317	257	1,003	328	1,888	346	1,889
TOTAL	19,879	85,611	8,657	35,263	25,193	69,568	30,183	69,319
Boardroom Meetings held	600		600		200		400	

* Miscellaneous includes, primarily: Canadian Mental Health, Civil Service Commission, Dept. of Education, Canada Mortgage & Housing Corp., Job Entry Projects, Dept. of Veterans Affairs, Federal Business Development Bank, Armed Forces, Workers Compensation, Land Development Corp. & others. Specific usage of each is available from the Centre Administration.

Visits to the Evangeline Centre equalled 700 and phone calls equalled 1,500. This Centre is cost shared by the Secretary of State and has 2 full-time bilingual workers. As well as accessing government services, they provide a development resource service to the many area organizations. In 1986, 300 hours of typing services were provided to community organizations.

Economic Development Staff Activity

Each Regional Centre has an Economic Development Officer to provide community planning services and assist the various communities to improve their commercial base. Along with a community organization support role, these workers assist community businesses in considering ideas for new ventures or expansions. Most often, grants are not involved, nor necessary, but information on how to start up or properly plan the venture is provided. In 1986, over 1,200 consultations were made to answer business inquiries. Also, in 1986, approximately 150 ventures were given planning support which involved a number of follow-up sessions; many of these are now new businesses. To support the development staff, a Professional Services Fund was available in 1986 and used primarily to hire accountants for client start-up needs. During the year, 115 uses of the fund were made, averaging $350 each. Each regional report indicates the high usage and significant impact this Community Economic approach to development has achieved. The following table summarizes some of the activities of the Economic Development Officers.

	WEST PRINCE	EVANGE-LINE	EAST PRINCE	S. KINGS & QUEENS	EAST KINGS	TOTAL
Business Consultations Made	294		399	289	222	1,204
Venture Plans Prepared with Clients	18	5	49	47	26	145
Business Establishment Visits Made	57		63	307	425	852
Projects Undertaken	33	5	30	30	27	125
Meetings Attended for:						
Community Advisory Boards	7	15		20	18	60
Area Indust. Commissions	14	20	19	34	23	110
Development Corporations			71			71
Municipal Economic Committees	6		98	64	54	222
Make Work Project Sponsors	28		12	84	18	142
Chamber of Commerce	3		29	20		52
Various Other Economic Groups	120	15	279	24	96	534
TOTAL MEETINGS ATTENDED	178	50	508	246	209	1,191

Activity in Evangeline was down in 1986, as there were disruptions in service due to relocation of the facility and staffing changes.

Venture Planning Service Listing

On a Regional basis, 145 business ideas were assisted at the clients' request through the Venture Planning Service. The following listing indicates the type of opportunities proposed by the Regional clients.

Community	Client Venture Planned
WEST PRINCE	
Alberton	Wood Craft Production
Alberton	Water Bottling Plant
Alberton	Marine Electronics Repair Shop
Alma	Fox Feed Plant
Freeland	Manufacture of Wood Doors
Knutsford	Box Making Business
Miminegash	Wood Craft Business
Northport	Fishery Processing
Northport	Manufacture Fiberglass Fishing Vessels
O'Leary	Farm Supply
O'Leary	Grocery Store
O'Leary	Gas Station
Tignish	Silviculture Contractor
Tignish	Clothing Store
Tyne Valley	Making Fiberglass Dories
Union	Food Packaging Business
West Point	Car Dealership
West Point	Farm Service Business
EVANGELINE	
	Carpentry Business
	Farm Disinfection Business
	Clothing Manufacture
	Sound Recording Studio
	Artistic Consulting Business
EAST PRINCE	
Bedeque	Lawn Furniture Manufacture
Freetown	Wholesaling, T-Shirt Specialty
Kensington	Clothing Store
Kensington	Feed Mill
Malpeque	Summer Cottage Rental
Miscouche	Carpentry
Richmond	Sawmill
Sherbrooke	Candy Manufacture
Sherbrooke	Appliance Service
Sherbrooke	Rust Tank Business

Community	Client Venture Planned
St. Eleanors	Restaurant/Lounge
St. Eleanors	Yarn Shop
Summerside	Chimney Sweep
Summerside	Sporting Goods
Summerside	Retrofit Vans for Ambulance Use
Summerside	Record Store
Summerside	Dairy Expansion
Summerside	Export Lobster Business
Summerside	Restaurant
Summerside	Mobile Canteen
Summerside	Lawn Care
Summerside	Seafood Take-Out Restaurant
Summerside	Auto Parts Store
Summerside	Day Care
Summerside	Commercial Building Leasing
Summerside	Delivery Business
Summerside	Aesthetician
Summerside	Dairy Bar
Summerside	Electrical Contracting
Summerside	Produce Christmas Novelties
Summerside	Fitness Gym
Summerside	Manufacture Harness
Summerside	Sign Shop
Summerside	Graphics Business
Summerside	Pharmacy
Tignish	Boat Building
Tyne Valley	Construction/Renovation
Tyne Valley	Hair Stylist Shop
Wilmot	Service of Sewing Machines

SOUTHERN KINGS & QUEENS

Brooklyn	Service Televisions
Brooklyn	Home Bakery
Caledonia	Tourism Resort
Culloden	Bakery
DeGros Marsh	Smoke House
Hopefield	Major Health Resort
Lower Montague	Furnace Prefab. Shop
Montague	Lobster Suppers
Montague	Stationary Store
Montague	Music Store
Montague	Asphalt Sealing
Montague	Antique & Used Furniture Sales
Montague	Clothing Manufacture
Mt. Vernon	Manufacture Pre-Cast Septic Tanks
Murray River	Lawn Care
Murray River	Trailer Rental

Community	Client Venture Planned
Murray River	Preserves Business
Murray River	Furniture Manufacture
New Perth	Custom Auto Parts
Pooles Corner	Tourism Attraction
Seal Cove	Campground Expansion
Sturgeon	Furniture Manufacture
Valleyfield	Onion Curing Facility
Wood Island	Video Production
EASTERN KINGS	
Annandale	Fish Buyer
Annandale	Fur Farm Expansion
Chepstow	Boat Repair and Building
East Point	Worm Farming
Elmira	Machine Shop Improvements
Fortune	Shell Fish Purification
Howe Bay	Mink Ranch
Morell	Fish Freezing and Storage
Morell	Boat Hauling
Mt. Stewart	Carpentry Shop
Mt. Stewart	Saw Mill Expansion
Naufrage	Fish Farm and Marketing
North Lake	Hydraulic Repair
Red Point	Boat Building
Souris	Net Repair Manufacture
Souris	Silviculture Contractor
Souris West	Nursery
Souris	Photo Lab
Souris	Wholesale Tire Outlet
Souris	Fish Processing
Souris West	Fish Farm
Souris	Wood Chip Contractor
Souris	Mobile Canteen
Souris	Snow Removal Business
St. Theresa	Custom Lumber Planing Business
St. Peters	Convenience Store

Community Project Listing

In 1986, local community leaders were active in promoting development for their regions. Economic Development staff, from the Services Centres, were requested to assist approximately 130 projects which required attendence at approximately 1,200 community-initiated meetings. The following listing of community groups and project titles indicates the actual efforts being assisted.

Sponsoring Organization	Project Title
WEST PRINCE REGION	
Alberton Merchants Association	- Membership Drive
Community Advisory Board	- "Be Your Own Boss" Seminar - Outlook '86 Conference - Job Entry Program - Rink Managers' Training - Travel Articles Project
Derby Parish Council	- Property Enhancement Project
Industrial Commission	- Mill River Fun Park - Tissue Culture
Miminegash Environment Committee	- Credit Union Study
Tourism Association	- Moncton Trade Show - Off-Island Promotions - Travel Counsellors - Island Westfest - Tourism Trade Show
West Point Fire Department	- Tourism Opportunity Study
West Prince Arts Council	- Summer Theatre
West Prince Berry Co-op	- Cold Storage Study
West Prince Ventures	- Craft Export Project
Westisle Highschool	- Business Education
EVANGELINE REGION	
Area Industrial Commission	- Rural Business Centre - Community Care Facility - Cable Television Cooperative - Economic Seminar
Community Advisory Board	- Home Repair Program

Sponsoring Organization	Project Title
EAST PRINCE REGION	
Borden	- Rural Business Centre - Scenic Entry Project - Park Development
Kinkora	- Rural Business Centre
Lower Bedeque Committee	- Schoolhouse Restoration
Summerside Area Tourism Assoc.	- Summerside Bound Project - Marketing Promotion - Life Style '87 Trade Show
Summerside Chamber of Commerce	- C.N.R. Station Project - Event Center Project - Hong Kong Investments Review - Membership Drive - Soil & Water Conservation Services - Junior Achievement - Fund Raising - Special Events Projects
Summerside Regional Planning Board	- Regional Economic Develop. Strategy - Retail Services Study - Summerside Parking Study
Summerside Waterfront Dev. Corp.	Summerside Regional Tourism Development - Concept Development - Land Assembly (250 acres) - Land Base Analysis - Municipal Boundary Changes - Entrepreneur Prospecting Greenshore Development: - Concept Devel. & Feasibility Analysis - Linear Park Project - Private Development Promotion - Summerside Scenic Entry
Seaboard Digital	- Pre-Development of Diagnostic Equipment Product
SOUTHERN KINGS & QUEENS	
Belfast Development Committee	- Aquaculture in Orwell - Tourism Opportunity Study
Belle River Day Care	- Business Study
Business Committee	- Business Seminars
Caledonia Products Co-op	- Opportunities Research

Sponsoring Organization	Project Title
Chamber of Commerce	- Industry Trade Show
Georgetown Town Council	- Golf Course Proposal
High School Classes	- Economic Presentations
Murray River Tourism Association	- Seal Cove Lobster/Mussel Suppers
Orwell Development Group	- Period Costume Project
Southeastern Tourism Association	- Vintage Railway Project
EASTERN KINGS	
Basinhead Museum	- Box Factory Expansion - Elmira Tourism Trolley Project
Eastern Kings Ice House Co-op	- Marine Travel Lift
Eastern Kings Tourism Dev. Committee	- Magdalen Ferry Boarding Pass System - Tourism Development Plan - North Lake Tuna Club - Tourism Marketing Brochures - Two Island Link (Magdaline/P.E.I.) - R.C.M.P. Musical Ride - French Language Training for Tourism Operators
Fortune Community Centre	- Dinner Theatre
Goose River Blackberry Co-op	- Blueberry/Cranberry Venture
Little Pond Committee	- Ark Project
Morell Area Search Committee	- Morell Area Doctor Search
Morell Village Committee	- Tourism Study - Morell Business Centre - Office Building Plan
Souris Area Industrial Commission	- Marine Trade Show - Fall Trade Show - Job Development Training - Boundary Expansion - Industrial Park Residential Housing - Industrial Park Development
Souris Town Council	- Santa Claus Parade
Town of Souris	- Town History Project
U.M.F. North Lake	- Worker Training Project

Area Industrial Commissions

During this reporting year, the Department of Regional Industrial Expansion and the Department of Industry administered Year 2 in a five-year Industrial Commission Sub-Agreement under the Economic Regional Development Agreement. This year's agreement provided an 80 percent administrative support contribution to the Island's seven Area Industrial Commissions. Each Commission proposed development plans for their area and were awarded operational contributions.

Active Commissions	Operational Grant Offer (1986/87) (80 percent contributrion)
West Prince Industrial Commission	$45,000
Greater Summerside Area Industrial Commission	$40,000
Baie Acadienne Industrial Commission	$20,000
Charlottetown Area Industrial Commission	$50,000
Three Rivers Area Industrial Commission	$34,760
Souris Area Industrial Commission	$20,000
Kensington Area Industrial Commission	$25,000

Each Commission works with it's member communities to spearhead local economic development.

Rural Business Centre Program

In 1986, the Rural Business Centre Program continued into its second year. Contributions of $15,000 capital grant and up to $10,000 to stimulate entrepreneurial start ups are offered in order to increase the commercial services base. Twenty-two eligible communities were initially contacted and invited to participate. Of these, Tignish, Kinkora, Borden, Wellington, Murray River, Mt. Stewart, Morell and Georgetown expressed interest. During Year One, these communities studied methods to renovate space and determined whether new services would actually set up business.

In 1985, Borden, Tignish and Kinkora were offered the program grant, while Georgetown and Wellington were awarded grants in 1986. Mt. Stewart and Morell are still planning towards a Rural Business Centre. This program has been a catalyst to encourage local leaders to consider the level of commercial services available from their community and to determine if new services were feasible.

Each of the five awarded communities continue in an active development stage and are optimistic of many new jobs.

Economic Development staff from the Regional Centres assisted these communities in planning their improvements.

Cottage Industry Development Program

Small home-style (cottage) enterprises and ventures on Heritage sites were assisted to buy equipment which would support the wages of a worker or operator. During 1985, eight awards were made and, in 1986, 19 awards were made. A listing of the two years' projects is a follows:

Location	Project Type
Basinhead	Railway Trolley Project
Belfast	Gourmet Foods/Spices
Brooklyn	Home Bakery
Cardigan	Smoke House
Covehead	Preserves/Processing
Culloden	Home Bakery
Eldon	Folk Art - Cottage Production
Georgetown	Home Clothing Manufacture
Hunter River	String Instrument Repairs
Murray River	Preserves/Spices
North Wiltshire	Making Mackerel Jigs
Orwell	Preserves Production Kitchen
Rosebank	Canning Co-op
Stanley Bridge	Craft Studio
Summerside	Wood Carving
Summerside	Wicker/Weaving
Tyne Valley	Sign Shop
Wilmot	Candy Manufacture

In 1986, $30,000 was awarded for a two-year total of $50,000 in aid of the listed projects.

Cultural Product Development Fund

This fund offers development assistance to Cultural Industries, including sound recording, film, video, publishers, stage plays (dinner theatre) for the production of a culturally significant Island product. During the past two reporting years, twenty products were assisted (10 each year) for a grant total of $40,000. The grants were distributed as follows:

Cultural Products Assisted:

Film Drama	3
Publishing	4
Sound Recording	3
Theatre (plays for stage & dinner theatre)	4
Video	6

This fund is jointly administered by the Department of Industry and the Department of Community & Cultural Affairs.

Craft & Cultural Industries

In 1986, this industry was assisted through grant programs, promotional events and many special project activities. The goal in each case has been to enhance the production ability of Island craft producers so they can realize improved incomes from sales.

A Craft and Cultural Industries Production Grant Program was available which offered capital grants of up to $2,500 (not to exceed 50 percent of the actual expense). During 1986, 36 of these production grants were approved averaging $1,460 each for a total of $53,000.

A Support Services Grant Program was administered which offered grants to encourage a wide variety of purposes. A Writers' Conference, Film Conference, Weaving Workshop, booth displays and participation in a Publishers National Conference are examples of some activities assisted. This program awarded 20 grants in 1986, for a total of $14,000.

A Co-operative Production Grant Program expended $1,000 each to nine organizations to help them build up off-season inventories of new quality products for summer sales.

The P.E.I. Crafts Council, was granted a $25,000 contribution towards its operation budget. In 1986, the Council undertook an exciting and ambitious development by relocating its craft outlet and headquarters into expanded facilities on Richmond Street. A contribution of $25,000 was provided for the refurbishing of the new site. Due to this move, the store realized a 25.6 percent increase in sales.

Holland College School of Visual Arts was granted $10,000 to assist with the school's art gallery and supply store. The facility greatly supports artists and craft producers, many of whom are not students of the school.

A listing of highlights includes:

Island craftspeople participated in provincial, national and international trade fairs. In 1986, it is estimated that $3,990,000 in sales were made through trade shows, fairs and crafts outlets, as compared to $3,500,000 in 1985.

Atlantic Visions de l'Atlantique returned to Charlottetown in September after touring the United States and Canada during the last four years. This Atlantic Provinces craft exhibition has been praised by numerous galleries throughout North America for the excellence in fine crafts.

Along with a number of small craft fairs which took place during the summer months, Christmas craft fairs took place during November and December in the following communities: Bloomfield, Summerside, Bedeque, Charlottetown, Montague, Cardigan, Murray River and Souris.

In November, 1986, the annual P.E.I. Christmas Craft Fair was held at the Confederation Centre. It was the first time in 23 years that there was poor weather during the fair. As a result, sales were down to $162,000 from $206,000 in 1985 and attendance was down to 8,964 from 11,000 in 1985.

Forty-five thousand plastic bags were made available again this year to all craft shops for a small fee. "Handcrafted on Prince Edward Island" was printed on one side, and "Fait a la main a L'Ils du Prince Edouard" was on the other side.

Ninety-three craft shops were compiled and published in the 1987 Visitors Guide.

The ninth Atlantic Craft Trade Show was held in Halifax on February 9, 10 and 11. Total sales were in excess of $612,000 of which Prince Edward Island had eleven booths and sales of $67,000.

A promotional "Hats Off To Crafts" exhibition was jointly sponsored by the P.E.I. Crafts Council, Confederation Centre of the Arts and the P.E.I. Department of Industry. This exhibition took place at the Confederation Centre of the Arts Gallery from June 26 to September 21, 1986. Attendance at the show was in excess of 14,000.

A group of 34 quilters were taken over to Moncton on a craft tour in April to view the Quilt Show at the Moncton Museum.

New showcases were built for Wood Islands and Borden Tourist Information Centres. Craft displays were placed in the Shaw Building, Royalty Mall, Aulac, Brackley, Cavendish, Pooles Corner, Lady Slipper and Souris Visitors Centre.

During July and August, 108 craft shops were visited and given advice on advertisement, quality and signage.

Native Economic Development

Within the division, special attention is provided to Native development in order to assist them in their efforts to become more economically self reliant. Support has primarily consisted of staff support through a Native Economic Development Officer who provides a catalyst role for many worthwhile developments.

In 1985, planning and leadership development support was provided which facilitated the opening of Minegoo Indian Arts and Crafts Basket Production Centre. Ongoing staff involvement has influenced market strategy improvements and higher production abilities within the plant. A leather garment production centre idea was tested in 1986 for Lennox Island. Concept plans and a pilot manufacturing project, involving 11 natives, has been put in place. Individual Indians have had proposals developed with staff support for approval in Minegoo's "Indian Business Assistance Program." A retail outlet was opened in 1986 by Minegoo; again, staff planning assistance was provided to the group.

These project activities have required the co-ordination of many incentives in order to get established.

Following is a list of funding obtained by the Native organization through the assistance of Native Economic Development:

Funding Agency/Project	Funding
C.E.I.C.	
Leather Work Training Project	$65,000
Job Development Basket Training	39,127
Basket Centre Operational Grant	65,000
Secretary/Bookkeeper Training	2,432
National Indian Arts & Crafts Corporation	123,885
Indian Affairs	19,173
D.R.I.E. - Boston Trade Show	1,500
P.E.I. Development Agency	
Trade Show and Rental Subsidy	3,643
Provincial Labour Subsidy	1,400
P.E.I. Department of Industry	
Craft & Cultural Industries Section	500
Native Economic Development Program	35,000
	$356,660

Sales from products realized $130,000

Community Economic Development Grants Summary

Program	Approvals	Grants
Rural Business Centre	6	$60,000
Venture Planning (Professional Services)	130	40,000
Cultural Product Development Fund	10	40,000
Cottage Industry Development	8	30,000
Craft & Cultural Industry Production Grant	36	53,000
Craft Production Co-operatives	9	9,000
Craft & Cultural Industry Support Services	20	14,000
Area Industrial Commissions	7	235,000
Other Grants:		
P.E.I. Crafts Council		
Operational Grant		25,000
Craft Store Relocation		25,000

HUMAN RESOURCE DEVELOPMENT DIVISION

The Human Resource Development Division provides training and employment development programs designed to meet the needs of Prince Edward Island employers and employees. In this respect, the Division works closely with the Canada Employment and Immigration Commission (CEIC) to determine the training needs. The co-operation of CEIC is greatly appreciated. In June 1986, Prince Edward Island signed a new three year training agreement with CEIC.

This year, the Employment Development Section provided part-year jobs for over 164 Islanders while approximately 1,000 people were trained through the National Training Agreement which is co-managed by the Division. During the year there were 132 new apprentices registered in the Apprenticeship Program. Labour market research and analysis have provided information to assist in program design and to respond to the requests for labour market information.

To further assist Island employers and entrepreneurs make the most effective possible use of their human resources, the department, this past year, expanded its human resource planning services. Available to businesses across the province regardless of size, these services include:

- providing information on federal and provincial human resource development programs
- identifying employer and employee training needs
- liaising on employers' behalf in arranging training assistance
- preparing human resource development plans, and
- providing a variety of labour market information.

ADULT AND CONTINUING EDUCATION

NATIONAL INSTITUTIONAL TRAINING PROGRAM:

A three year training agreement was signed in June 1986 and expires March 31, 1989. Under the terms of the Federal/Provincial Training Agreement Prince Edward Island received $4,167,000. for the purpose of conducting training programs for labour market entrants and participants. Much of the Direct Purchase training is limited to what is approved on a "Designated Occupational Skills Shortage List." This list reflects occupations that are in short supply and are recommended by a local committee and approved by Ottawa.

Significant training program changes include the following courses which were either introduced or reinstated:

Bilingual Clerk Typist	9 places
Dining Room Supervisor	10 places
Aquaculture Technician	5 places
Dockside Grading	15 places
Farm Machinery Modules	36 places
Resident Care Worker	30 places
Electro Mechanical Technician	20 places

Courses offered in the past were also modified to better address the needs of the labour market and, the trainees. In addition to a variety of curriculum changes, entrance requirements were also altered.

The diverse part-time offering for employed workers continues to evolve and develop in order that recent trends and technological developments may be addressed.

Statistical Summary

	1982	1983	1984	1985	1986
Student Days	119,037	118,456	113,932	97,794	79,084
# of Courses	166	102	145	135	118
Courses Canc.	4	4	5	4	3
Training Costs	$4,229,000	$4,025,975	$4,174,006	$4,077,318	$3,668,415

ADULT NIGHT CLASS PROGRAM

The Adult Night Class Program, funded by the Province and conducted by Holland College, provides adults with an opportunity to upgrade their academic proficiency through part-time study. The following table presents a statistical summary of the Adult Night Class program.

Statistical Summary

LOCATION	NUMBER OF CLASSES	TOTAL ENROLLMENT	NUMBER OF TEACHERS
Extension West			
Elmsdale	2	25	2
Summerside	5	110	10
Ellerslie	1	11	1
Abram's Village	1	12	1
Kensington	3	41	6
Tignish	1	8	1
Sub-Total	13	207	21
Extension East			
Tracadie	2	24	1
Souris	1	15	2
Montague	2	48	1
Murray River	1	16	2
Morell	2	30	3
Charlottetown	10	174	14
Sub-Total	18	307	23
TOTAL	31	514	44

MANAGEMENT TRAINING

A limited number of management training courses have been conducted this year under the auspices of the National Institutional Training Program.

The management development courses conducted during 1986 include:

Financial Management for Farmers	-	Montague	12 places
	-	O'Leary	12 places
	-	Charlottetown	12 places
Dining Room Supervisor	-	Charlottetown	7 places

LITERACY COUNCILS

The Province continues to contribute funds to the four voluntary Literacy Councils of Prince Edward Island in their work of teaching people to read and write on a one-to-one basis. These volunteers give generously of their time and talents in this humanitarian endeavour and their generosity is greatly appreciated.

APPRENTICESHIP AND INDUSTRIAL TRAINING

1986

APPRENTICESHIP TRAINING

The Apprenticeship and Industrial Training Section provides programs and services that address the training needs of adults. Training and certification programs were provided for apprentices in 18 trades, along with examination and certification programs in 14 other trades for a total of 32 trades. Twenty-three (23) of these trades are also Interprovincial "Red Seal" trades hence the Section participated in the development, review and administration of examinations for interprovincial standing in these trades.

Interprovincial examinations for the trades of Construction Electrician and Motor Vehicle Mechanic (Truck & Transport) are the responsibility of Prince Edward Island. The Electrical examination was updated to the 1986 Electrical Code and the Motor Vehicle Mechanic (Truck & Transport) examination was finalized, printed and distributed for use by all provinces and territories.

During the year, 132 new apprentices were registered. Forty completed their training and received their certificates. In addition, 219 attended in-school training. The total number of apprentices registered on December 31, 1986 was 469. See Table I for more detailed information.

The following examinations were administered during 1986.

Type	Number
Pre-Apprentice	75
Block Release for Apprentices	70
Interprovincial for Apprentices	62
Interprovincial for Journeymen	20
Certificate of Qualification	89
Certificate of Achievement	40
Total	**356**

Revision/updating of four Block examinations and four Certificate of Qualification examinations was completed. Validations were carried out on twelve Interprovincial examinations developed by other provinces, on twelve Occupational Analysis developed by Ottawa and on eight Canadian Occupation brochures also developed by Ottawa.

Apprenticeship Training Officers made 3103 visits to apprentices and their Supervisors on job sites.

CANADIAN JOBS STRATEGY

The following Canadian Jobs Strategy proposals were received for review and comment on the training plans:

Program Stream	Number
Skill Investment	61
Skill Shortages	27
Job Entry	13
Job Development	
Individualized	96
Project	78
Total	**275**

Assistance was provided to 19 employers in developing training plans for Skill Shortages and Skill Investment and 15 monitors were carried out on Canadian Jobs Strategy projects.

APPRENTICESHIP ADVISORY BOARD

The Provincial Apprenticeship Advisory Board completed a Study of Advancing Technology in the Automobile Industry and It's Impact on Apprenticeship and Certification Programs for Motor Vehicle Mechanics. Some of the Study recommendations have already been implemented while others will be during the next four years. The Board held six regular meetings.

TRADE SCHOOLS ACT

Under the Private Trade Schools Act, 12 Schools were registered, 3 were granted an exemption under the Act and 30 requests for information were processed.

TABLE I

TRADES	Apprentices January 1, 1986	Apprentices December 31, 1986	New Apprentices	Drop-outs	In-School Training	Apprentices Qualified	Others Qualified	Total Certificates Issued To Date	Total Red Seals Issued To Date	Work Permits
Bricklayer	12	6	2	7	1	1	0	47	38	
Cabinet Maker	12	8	5	8	6	1	0	8	x	
Carpenter	101	90	26	30	32	7	3	524	235	
Cook	37	45	21	10	17	3	8	75	39	
Drafting	0	0	0	0	0	0	0	4	x	
Electrician (Construction)	54	61	11	0	27	4	9	299	199	
Electrician (Industrial)	0	0	0	0	0	0	2	7	0	
Farm Equipment Mechanic	11	11	1	1	8	0	0	32	x	
Heavy Duty Equipment Mechanic	5	5	0	0	1	0	2	87	17	
Industrial Instrument Mechanic	0	0	0	0	0	0	0	1	1	
Industrial Mechanic (Millwright)	0	0	0	0	0	0	1	11	2	
Lineman	5	7	2	0	4	0	0	66	11	
Machinist	6	6	1	0	2	1	2	19	5	
Motor Cycle Mechanic	0	0	0	0	0	0	1	17	x	
Motor Vehicle Mechanic	69	73	20	9	46	7	4	660	216	62
M.V.M. (Electrical & Fuel)	0	0	0	0	0	0	0	12	x	
M.V.M. (Truck & Transport)	11	14	3	0	6	0	3	35	x	
Motor Vehicle Body Repairer	38	18	7	21	18	6	2	128	35	
M.V.M. (Transmission)	0	0	0	0	0	0	0	2	x	
Oil Burner Mechanic	5	5	1	0	2	1	0	91	20	
Painter & Decorator	0	0	0	0	0	0	0	3	1	
Plumber	42	46	9	3	13	2	4	258	119	54
Radio & T.V. Repairer	0	0	0	0	0	0	1	3	0	
Refrigeration & Air Conditioning	4	5	1	0	1	0	1	26	2	
Secretary	0	0	0	0	0	0	0	27	x	
Service Station Mechanic	7	8	5	4	4	0	27	452	x	
Sheet Metal Worker	14	15	5	4	3	0	0	34	17	
Small Equipment Mechanic	1	1	0	0	0	0	0	1	x	
Engine Fitter	0	0	0	0	0	0	0	1	x	
Steamfitter/Pipefitter	0	0	0	0	0	0	0	39	11	
Welder	52	45	12	12	38	7	2	61	20	
TOTALS	486	469	132	109	229	40	72	3030	988	116

FEDERAL/PROVINCIAL RELATIONS SECTION

JOINT FEDERAL/PROVINCIAL LABOUR MARKET NEEDS COMMITTEE STRUCTURE

The Federal/Provincial Relations Section is responsible for the daily administration of the Joint Labour Market Needs Committee. The Joint Committee structure co-ordinates the federal and provincial involvement in labour market activities including immigration. The Section provides Executive Secretary services and maintains a continual working relationship with Technical and other sub-committees. This involves attending meetings, preparing agendas, minutes and obtaining support material for meetings, as well as follow-up action to the meetings.

TRAINING PLAN PREPARATION

The Section liaised with Federal and other Provincial Departments which have involvement in Canada Employment and Immigration Commission sponsored training programs and activities.

After the Adult training requirements were obtained from the various representatives of government, labour, management and other sources, and a thorough review of labour market needs was completed, the Annual Training Plan was prepared for submission to the Joint Federal/Provincial Labour Market Needs Committee for review and ratification. The Training Plan was funded in the amount of $4,167,000.

HUMAN RESOURCE PLANNING AGREEMENT

Under the Memorandum of Understanding previously signed between the Provincial Department of Industry, the Canadian Employment and Immigration Commission, and the University of Prince Edward Island, officials of the Province continue to assist the University in identifying their training needs for the Atlantic Veterinary College. The Section is incorporating relevant training requirements into the new Training Plan.

OTHER PROJECTS

Responses were made to inquiries on human resource issues such as training, unemployment insurance and employment opportunities.

RESEARCH AND ANALYTICAL SERVICES SECTION

The Section's responsibilities can be divided into seven major areas:

Labour Market Analysis:

The Section analyzes existing labour market data in the Quarterly Labour Market Bulletin which is distributed to various private and public sector representatives both within and outside the Province. On a monthly basis, an assessment of Statistics Canada's Labour Force Survey results for Prince Edward Island is prepared for the Minister and Deputy Minister's consideration. The Section also prepared two community profiles using Statistics Canada's Census data. Each profile (Georgetown, and Southern Kings and Queens County Area) was prepared in response to a request from the local area. A report discussing the labour market experiences of Women in Prince Edward Island was prepared for public distribution.

Labour Market Forecasting:

The Research and Analytical Services Section has responsibility for liaison with the Federal Canadian Occupational Projection System which provides estimates on labour market supply and demand for the Province and the country. The Province has computer access to the system which provides information, for example, on the projected employment by occupation and post-secondary enrollment levels.

Labour Market Research:

During 1986, the Section conducted the Annual Student Follow-up of the 1985 graduates from UPEI, Holland College post-secondary, full time vocational high school and Canada Employment and Immigration sponsored courses. The results will be compiled in a report illustrating the graduates success in obtaining employment. This report will be distributed to junior and senior high school guidance counsellors throughout the Province.

Policy Analysis and Development:

During the year, briefing notes and program proposals were prepared for the consideration of Departmental management. Background information on unemployment insurance on Prince Edward Island was prepared for the Provinces submission to the Forget Commission of Inquiry on Unemployment Insurance.

Public Requests for Information:

During 1986, the Section responded to approximately 200 public requests for information concerning a wide range of topics such as wage rates by occupation, income levels, employment levels and unemployment rates. There were also a large number of requests received for publications prepared by the Section. The Section is pleased to respond to any public requests for labour market information.

Immigration:

The Section has Provincial responsibility for immigration which involves liaison with the Federal Government on the level of immigration to the Province. As well, the Section is the Provincial liaison for the Federal Business Immigration Program. Proposals are referred to appropriate Provincial Departments to comment on the viability of the entrepreneur's business plan. During 1986, the Section made 10 referrals to other Departments to comment on the viability of the entrepreneur's business plan. A kit containing information about Prince Edward Island was sent to Visa officers abroad which could encourage entrepreneurs to come to the Province. The Section planned and co-ordinated an annual entrepreneurial development officers tour. The officers were briefed by Provincial Government officials along with touring a local manufacturing firm.

Publications Released During the Year:

During the year the Section prepared the following reports for public distribution:

- Analysis of the Characteristics of the 1981, 1982 and 1983 Graduates from UPEI, Holland College, Canada Employment and Immigration Commission and Vocational High School January, 1986

- Christmas Craft Fair Survey September 1986

- The Georgetown Profile February 1986

- Holland College and University of PEI Graduates: Success in Obtaining Employment 1981-1984 Graduates May 1986

- 1984 Journeymen Follow-up Survey Results May 1986

- Prince Edward Island's Migration Patterns: Past, Present and Future January 1986

- The Prince Edward Island Labour Market Bulletin - Quarterly

- The Southern Kings and Queens County Area Community Profile November 1986

- Women in the Prince Edward Island Labour Force - An Update November 1986

Copies of any of these publications can be obtained from the Research and Analytical Services Section, PEI Department of Industry, 1st Floor Sullivan Building or Island Information Services, 11 Kent Street, Charlottetown, PEI.

YOUTH EMPLOYMENT DEVELOPMENT SECTION

The Youth Employment Development Section is responsible for the administration of the Provincial Government's employment creation programs for students and unemployed young Islanders. In 1986, its programs contributed to the creation of 300 job opportunities. These jobs were created throughout Prince Edward Island, through four programs. Following is a summary of each:

Provincial Youth Development Program

The Provincial Youth Development Program provides additional employment opportunities for Island students and enables Provincial Departments and agencies to carry out summer projects for which no other source of funds is available. In 1986, 36 projects were approved employing 114 students for an average of 10 weeks each. Work was distributed across Prince Edward Island and involved students in research, services to youth and the elderly, public awareness programs, and primary resource development. The program provided students with career related and work experience. Departments and agencies receiving funding were able to carry out additional activities which otherwise would not have been possible.

Provincial Agri-Crews

In co-operation with the Rural Development Section of the PEI Department of Agriculture, 24 student positions were funded by the Department of Industry to provide a short term labour service to Island farms.

Six work crews of four were assigned to farms for up to five days to carry out incidental farm work. Participating farms cost-shared in the crews wages on a per-student per-day rate basis. Crews were made available to all regions of the province. At the end of summer 10,206 hours of work were completed, an increase of 13% over 1985. One hundred and seven farms used the Program. Students, particularly those pursuing an Agriculture related career, gained valuable work experience.

Student Venture Capital Program

The Student Venture Capital Program promotes the establishment of student operated businesses. Students are aided in the preparation of a business plan. Approved businesses are provided with business start-up loans not exceeding $2,000. Interest on loans is reimbursed upon timely repayment. In 1986, 29 applications were received and 24 proposals were approved. Total loans were valued at $42,120. Approximately 40 jobs were created by the student businesses. All borrowers were able to repay their loans. Of the 29 applications received six involved retailing, three were manufacturing, twelve provided a service, and eight were primary resource businesses.

Career Internship Program

The Career Internship Program provided a financial incentive to small Island businesses to create career related positions for recent post secondary graduates. Forty percent of the weekly wage to a maximum of $100 per week for 25 consecutive weeks was offered for approval.

Employers sought the Program's assistance for 62 positions in 1986. Fifty-one were approved. By year end 42 of these positions had been filled.

INDUSTRIAL DEVELOPMENT DIVISION

The Industrial Development Division of the Department of Industry has a Divisional Director and a staff of four Business Development Officers. In addition, the Division has a support staff of one full-time secretary and one part-time clerk-typist.

The responsibilities of the Division include:

- the promotion and encouragement of new investment in businesses appropriate to the Island environment.
- the provision of cousulting and advisory services to industry and small businesses.
- the provision of hand-holding or after care service to newly established industries.
- the provision of assistance to applicants in preparing required supporting documentation with respect to applications for industrial assistance under various Federal/Provincial assistance programs.
- liaison with the Island business community, Area Industrial Commissions, Chambers of Commerce, local industry groups, educational institutions and municipal governments.
- the provision of current information to the public on all Federal and Provincial Industrial Programs.

The following programs and services are provided by the Industrial Development Division of the Department of Industry.

Business Development Program Support

The primary objective of this program is to provide financial, professional and technical support to Island businesses in identifying and pursuing business opportunities.

In addition to the service provided by staff of the Business Development Section, financial assistance ($10,500) was provided to 15 Island firms to contract the services of professional accountants to prepare financial projections. These are included in applications to access financial assistance available through various Federal and/or Provincial government programs.

Similarly, financial assistance ($2,879) was provided to eight firms to engage lawyers to provide legal data required in support of grant applications.

Counselling Assistance

In the year, the Business Development Section provided counselling assistance to several Island businesses. This assistance related mainly to the preparation of applications to access government programs and/or to problems concerning financial, manufacturing, production and marketing and other problem areas. This type of assistance was/is made available to businesses directly by staff as well as through co-ordinating efforts with accounting firms, CASE counsellors and private consultants.

Tuition Assistance Program

The objective of this program is to upgrade the managerial skills of owners/operators and senior employees to improve technical skills, productivity and competitiveness. Businesses are eligible for a 50 per cent reimbursement of tuition costs, to a maximum of $500.00, upon satisfactory completion of approved courses or seminars.

In 1986, this program assisted a total of 10 managers and senior employees from 9 Island businesses to upgrade their management and organizational skills through formal training. Several participants attended management courses and out-of-province seminars, which are funded if a similar course was/is not available locally.

Student Policy Projects

This program provides a reference library of potential business opportunities. In 1986, 17 new feasibility studies were prepared by fourth year/graduating students in Business Administration at the University of Prince Edward Island. These projects research and assess the financial feasibility of new business opportunities. These studies have proven to be a very valuable reference source of investment opportunities to the province in addition to providing a valuable learning experience for the students.

Since the inception of this program in 1970, more than 277 policy projects have been researched and are on file in the Department of Industry. These studies are available for review by potential investors and anyone wishing to review these may do so.

It is estimated that approximately 35 new Island businesses have been created as a result of these studies and/or can be traced to these studies.

Graduates-In-Business

In the period four applications for assistance were approved. At year end, eight additional applications were received and were being evaluated. This heightened response combined with a growing number of letters of inquiry and phone calls suggests an increased demand for this innovative Program to assist in identifying and promoting entrepreneurial development among young Islanders.

Student In Industry

In 1985, the Department of Industry in coordination with the University of P.E.I. School of Business Administration assisted 25 Island firms under the Student-In-Industry Program. These 25 firms were assisted to a maximum of $1,400. each to hire university students during the summer months. The firms involved in this program are encouraged/required to undertake development/business projects which normally they would not carry out without some financial assistance.

Students involved in this Program gain valuable work experience while applying skills attained during the previous two - three years of university studies. Students involved in this Program were able to earn up to $1,400. during the summer months thus assisting in the expense of attending university during 1986/87.

Industrial Research

The primary objective of this program is to financially assist potential investors to research specific investment opportunities in the manufacturing and processing sectors thereby creating additional employment opportunities for Prince Edward Island residents.

By the terms of this Program, applicants are required to submit a general outline of the 'opportunity' which they would like to have researched. The Department of Industry, with the approval of Treasury Board, may then cost-share with the applicant the cost to engage a consultant(s) to undertake a detailed feasibility study. The Department of Industry finances 75 percent of the cost of the study with the applicant financing the balance.

In the year 1986, several studies which were initiated in 1985 were concluded; several new studies were contracted out in the year and were completed; while several are still on-going. In addition, a number of proposed studies were under active consideration at year end.

In the period, financial assistance was extended to several applicants to engage consultants to carry out detailed feasibility studies to search for new opportunities. As a result of the studies carried out several of the applicants have opened new businesses or expanded present facilities.

Funds were also provided in the year for Island Sand Limited to have consultants conduct a feasibility study for processing and marketing oyster shells for poultry grit.

An engineering assessment and evaluation was carried out on the Georgetown Seafoods Plant to determine the necessary upgrading to bring the plant to an acceptable level and structural integrity to house a fish or food processing plant.

A feasibility study was conducted for Ms. Valerie Stewart to research the feasibility of a potential maple syrup operation.

Preparation of financial statements and projections were carried out for a processing facility on behalf of Ag-Vest Inc. to seek assistance from the Department of Regional Industrial Expansion for a fresh vegetable processing facility.

Consultants were engaged on behalf of Abegweit Seafoods Inc. to conduct feasibility/financial analysis regarding multi-species holding culture and processing system.

Funds were provided to Coopers and Lybrand to carry out consulting services regarding a review of Georgetown Shipyards Inc.

Assistance was provided to Bulk Carriers (P.E.I.) Ltd. to carry out a financial and qualitative investigation of the viability of an uncovered bulk wood chip storage site in the Queens Co. area.

Industrial Services

The objective of the program is to improve the profitability of existing industries through the upgrading of technical capabilities.

The costs associated with engaging consultants and industry specialists normally are cost-shared with the applicant on a negotiated basis.

All manufacturers and processors operating in P.E.I. are eligible to apply for assistance under this Program except those studies that are eligible under the Industrial Development Programs of the Department of Regional Industrial Expansion (D.R.I.E.)

Under the terms of the Program applicants must submit a written request for assistance. Requests are assessed on an individual basis and costs paid on a cost-shared basis.

During 1986 nine firms were assisted with actual committed dollars amounting to $14,658.

Assistance was provided to Peter Visser, Eastport Chemicals Corp. Malpeque Fisherman's Co-operative Association Ltd., Island Metal Fabricators Ltd., North Ocean Enterprises Ltd., Progressive Wood Products Inc., Johnston's Home Style Products Ltd., Hi-Tech Manufacturing Inc., and Silverwood Lumber Co.

Power Conversion

The objective of this Program is to extend three phase power to those manufacturing and/or processing operations who are restrained in their activities as a direct result of insufficient power being available. Assistance is also available to assist in establishing new manufacturing or processing operations in locations where three phase power is required but not available. Assistance is provided in the form of either:

(a) installation of three-phase power lines; or

(b) acquisition of generating equipment whichever is the most cost effective.

In 1986, the following firms were provided with the full cost to extend three-phase power.

Howard's Cove Seafoods

Advanced Lobster Technology

P.E.I. Potato Chip Co-operative

In addition, approval was extended in 1986 to the following plant, although actual expenditures will not be made until early in 1987:

Arsenault's Sawmill

Small Business Incentives Program

The Small Business Incentives Program, now in its third year of existance, continues to encourage and accelerate desirable development within the manufacturing, processing and service industry sectors of the provincial economy. Assistance is in the form of interest free Forgivable Performance Loans which are forgiven over a two year period provided the applicant undertakes and substantially carries out what is proposed in the application.

Forgivable Performance Loans of up to $15,000 are available for the creation of a new operation or for the expansion of an existing operation. Assistance to a maximum of $5,000 is available for the modernization of an existing operation provided it will substantially improve working conditions and/or productivity.

During the period January 1, 1986 to December 31, 1986, a total of 62 applications were approved resulting in a projected capital expansion of $1,446,537 in the provincial economy.

The Program has been successful in assisting 45 firms to expand. In the year, the Program also financially assisted in the creation of 17 new small businesses.

In the calendar year 1986 the Small Business Incentives Progam assisted in the creation of 150 new jobs. Total assistance by the Program was $625,600. or $4,165 for each new additional job created.

Some of the new products and services created include: Orthotics Manufacturing, Mobile Wash Servicing, Farmers and Fishermen, Appliance and Furniture, Covers Manufacturing, Beach Wear Manufacturing, manufacturing foam insulation, re-manufacturing gas tanks, roasted soy bean snacks, mobile custom soy bean roasting service for farmers, and children's clothing manufacturing.

During 1986 thirty-four of the previous years approved cases were reviewed for first forgiveness, and four final forgivenesses were granted. It is expected that 1987 will see much greater activity in this area with many firms approaching their first and second anniversary date.

Table I - illustrates the results of activity from January 1, 1986 to December 31, 1986. Table II illustrates the results of the Small Business Incentives Program since May 25, 1984.

Employment Development Program

The Employment Development Program was introduced to Island business operators, farmers, fishermen, and non-profit organizations as a new wage subsidy program in June 1986.

The objective of the Employment Development Program is to provide private sector employers and non-profit organizations financial assistance to create employment opportunities for unemployed Prince Edward Islanders.

Wage subsidies of up to $100. per week was available based on a maximum of 40 hours per week, at a maximum of $2.50 per hour.

Reimbursement for wages are 50% of the hourly rate paid to employees based on a mininum wage of $3.25 per hour for persons under age 18, and $4.00 per hour for persons age 18 and over, up to a maximum subsidy of $2.50 per hour.

During the period June 30, 1986 to December 31, 1986, a total of 302 applications were approved resulting in a committment of $362,842.

TABLE I

COUNTY	NO. OF LOANS APPROVED	MANUFACTURING & PROCESSING NEW	MODERNIZATION	EXP.	SERVICE SECTOR NEW	EXP.	PROJECTED NEW JOBS	AMOUNT	AVERAGE COST/JOB	AVERAGE LOAN
Kings	13	1	-	9	1	2	29.5	$132,301.	$4,485.	$10,177.
Queens	32	7	-	17	2	6	69.3	$338,923.	$4,891.	$10,591.
Prince	17	4	-	6	2	5	51.4	$154,376.	$3,003.	$ 9,081.
	62	12	-	32	5	13	150.2	$625,600.	$4,165.	$10,090.

TABLE II

COUNTY	NO. OF LOANS APPROVED	MANUFACTURING & PROCESSING NEW	MODERNIZATION	EXP.	SERVICE SECTOR NEW	EXP.	PROJECTED NEW JOBS	AMOUNT	AVERAGE COST/JOB	AVERAGE LOAN
Kings	37	6	0	21	4	6	100.8	$415,023.	$4,117.	$11,217.
Queens	79	20	1	39	6	13	165.3	$807,121.	$4,883.	$10,217.
Prince	52	11	0	23	6	12	113.5	$513,052.	$4,520.	$ 9,866.
	168	37	1	83	16	31	379.6	$1,735,196.	$4,571.	$10,329.

In the calendar year 1986 (June - December) the Employment Development Program assisted in the creation of 383 jobs of which the applications indicate that 44 were permanent, the cost of each new job was $947.36. The following table shows the distribution by county:

COUNTY	DOLLARS COMMITTED	NO. OF JOBS
Kings	$122,254.	126
Queens	$134,749.	144
Prince	$105,839.	113

Industrial Prospecting

The objective of this Program is to create additional manufacturing and processing employment opportunities for residents of Prince Edward Island. Financial assistance is provided to Island entrepreneurs to aid them in their search for new product lines and/or new investment opportunities. In addition, funds are provided to finance prospecting initiatives by and/or appointed government officials and senior staff persons to encourage and promote investment in Prince Edward Island.

Assistance is in the form of reimbursement for travel expenses incurred by the potential entrepreneur in his/her research efforts to identify approved investment opportunities. Applicants may also receive funds to contract the services of professionals, i.e., accountants, engineers, to assist in determining the technical and financial viability of the project.

Projects to be investigated must represent new developmental opportunities and must be within the manufacturing and processing sectors.

The Department of Industry may provide up to 75 percent of the total costs involved in travel or in contracting the services of professional advice. The maximum level of assistance for any single proposal is $15,000.

Considerable time and effort was also directed to prospecting potential investors. In this regard a number of ads were placed in a number of key business magazines and letters drafted and submitted directly to a number of off-Island firms.

A review of copies of correspondence on file to foreign business firms show that 150 letters were mailed to 10 different countries in an effort to attract investment to Prince Edward Island: 62 to Japan; 61 to Asia/Europe; 20 to the United States and 7 to other countries. As well, a large number of inquiries were answered as a result of the P.E.I. Pavillion at Expo '86. where inquiry cards were available to potential investors to request information kits, including copies of **The Best of Both Worlds**; the 1985 PEI Statistical Review, as well as Immigration procedures with each letter.

All letters/contacts could be followed-up and an effort made to encourage appropriate new industry and/or investment to locate on Prince Edward Island.

Funds were also provided to promote the department programs by placing a computer network database through Telegraphics Inc. terminals located in malls and Visitor Information Centres. To August 31, 1986 there was a total of 7,630 direct access requests.

Since December 1986 the Prospecting Program has been given new direction, and it is now being administered by the Prince Edward Island Development Agency.

APPENDIX "A"

DEPARTMENT OF INDUSTRY

DEPARTMENT MANAGEMENT

	EXPENDITURES			ESTIMATES	
	$	$	$	$	$
ADMINISTRATION					
Administration	34,188			34,000	
Equipment	22,190			8,000	
Materials & Supplies	6,961			8,300	
Salaries	259,791			263,000	
Travel	29,153			20,100	
Grants					
Loan Guarantee Writeoff	52,138			-	
		404,421		333,400	
POLICY AND PLANNING					
Administration	290			300	
Materials & Supplies	437			500	
Salaries	47,767			48,100	
Travel	10,518			6,400	
		59,012		55,300	
EXPO 86					
Administration	3,715			-	
Materials & Supplies	5,604			-	
Professional Services	444,122			-	
Salaries	5,287			-	
Travel	1,324			-	
		460,052		-	
			923,485		388,700

DEPARTMENT OF INDUSTRY

	EXPENDITURES		ESTIMATES	
	$	$	$	$
INDUSTRIAL DEVELOPMENT				
ADMINISTRATION				
Administration	1,351		3,000	
Materials & Supplies	3,434		5,200	
Salaries	74,692		76,800	
Travel	3,501		3,100	
	82,978		88,100	
INDUSTRIAL DEVELOPMENT				
PROSPECTING				
Administration	6,096		5,200	
Materials & Supplies	46,961		10,400	
Professional Services	113,651		53,200	
Travel	19,563		31,200	
	186,271		100,000	
BUSINESS DEVELOPMENT				
ADMINISTRATION				
Administration	1,408		1,600	
Materials & Supplies	2,740		5,300	
Salaries	150,560		153,800	
Travel	7,654		10,400	
		162,362		171,100

DEPARTMENT OF INDUSTRY

	EXPENDITURES			ESTIMATES	
	$	$	$	$	$
PROGRAM SUPPORT					
Materials & Supplies	3,249			20,800	
Professional Services	67,682			60,000	
		70,931			80,800
INDUSTRIAL RESEARCH					
Professional Services		74,743		100,000	
INDUSTRIAL SERVICES					
Professional Services		30,317		50,000	
POWER CONVERSION					
Grants					
Power Conversion		133,024		49,200	
			471,377		451,100
INDUSTRIAL DEVELOPMENT					
INDUSTRIAL BENEFITS					
Administration	-			1,900	
Materials & Supplies	-			5,200	
Salaries	8,306			29,000	
Travel	-			5,200	
			8,306		41,300
INDUSTRIAL DEVELOPMENT					
Grants					
Small Business Incentive Program			518,427		600,000
INDUSTRIAL DEVELOPMENT					
Grants					
Industrial Support - ERDA			-		462,000
INDUSTRIAL DEVELOPMENT					
Grants					
PEI Graduates-in-Business			23,538		75,000

DEPARTMENT OF INDUSTRY

	EXPENDITURES $	$	$	ESTIMATES $	$
COMMUNITY ECONOMIC DEVELOPMENT					
CENTRAL ADMINISTRATION					
Administration	1,957			1,000	
Professional Services	39,811			35,000	
Salaries	79,798			79,900	
Travel	5,973			6,300	
Grants					
C.A.D.C.	257,400			257,400	
Summerside Waterfront Development Corporation	60,000			60,000	
Area Industrial Comm.	165,946			35,000	
		610,885			474,600
COMMUNITY ECONOMIC DEVELOPMENT					
EAST PRINCE REGIONAL SERVICES CENTRE					
Administration	40,166			40,600	
Materials & Supplies	10,321			10,900	
Salaries	147,906			149,300	
Travel	5,132			5,300	
		203,525			206,100
EASTERN KINGS REGIONAL SERVICES CENTRE					
Administration	41,336			47,300	
Materials & Supplies	10,736			12,500	
Salaries	144,584			136,300	
Travel	5,968			5,400	
		202,624			201,500
WEST PRINCE REGIONAL SERVICES CENTRE					
Administration	65,714			66,200	
Materials & Supplies	15,161			18,600	
Salaries	155,946			154,600	
Travel	9,548			9,500	
		246,369			248,900

DEPARTMENT OF INDUSTRY

	EXPENDITURES			ESTIMATES	
	$	$	$	$	$
SOUTHERN KINGS/QUEENS REGIONAL SERVICES CENTRE					
Administration	43,188			43,600	
Materials & Supplies	10,766			12,000	
Salaries	140,053			150,400	
Travel	6,147			7,300	
		200,154			213,300
EVANGELINE REGIONAL SERVICES CENTRE					
Administration	4,106			5,500	
Materials & Supplies	1,275			1,400	
Salaries	54,075			54,200	
Travel	1,498			1,500	
		60,954			62,600
CRAFT AND CULTURAL INDUSTRIES					
Administration	1,306			6,500	
Materials and Supplies	30,817			30,800	
Professional Services	13,343			13,600	
Salaries	35,151			35,200	
Travel	5,163			5,600	
Grants:					
Handcraft/Culture Industries Program	41,998			40,000	
Culture Product Development Program	36,026			40,000	
Cottage Industry Development Program	20,676			40,000	
Handcraft/Cultural Support Services	20,592			32,000	
Crafts Productions Co-op Assistance Program	5,090			8,000	
Handcraft Grants and Special Products	53,000			28,500	
		263,162			280,200
RURAL BUSINESS CENTRE PROGRAM					
Grants:					
Rural Business Centre Program		45,526			100,000
			1,833,199		1,787,200

DEPARTMENT OF INDUSTRY

	EXPENDITURES $	$	$	ESTIMATES $	$
HUMAN RESOURCE DEVELOPMENT					
ADMINISTRATION					
Administration	150			1,400	
Materials & Supplies	250			700	
Salaries	71,522			71,800	
Travel	6,430			3,700	
	------			------	
			78,352		77,600
YOUTH EMPLOYMENT DEVELOPMENT					
ADMINISTRATION					
Administration	52			500	
Materials & Supplies	8,549			5,300	
Salaries	38,802			37,000	
Travel	259			1,100	
	------			------	
		47,662		43,900	
PROVINCIAL STUDENT AGRI-CREW					
Salaries	44,773			55,300	
Travel	5,182			5,000	
	------			------	
		49,955		60,300	
PROVINCIAL YOUTH DEVELOPMENT PROGRAM					
Salaries		202,151		148,800	
STUDENT VENTURE CAPITAL PROGRAM					
Grants:					
Loan Guarantee Writeoff	10,431			-	
Student Venture Capital Program	1,336			2,900	
	-----			-----	
		11,767		2,900	
CAREER INTERNSHIP					
Materials and Supplies	5,119			-	
Travel	594			-	
Grants:					
Career Internship	52,319			100,000	
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		58,032		100,000	

			369,567		355,900

DEPARTMENT OF INDUSTRY

	EXPENDITURES		ESTIMATES	
	$	$	$	$
HUMAN RESOURCE DEVELOPMENT				
FEDERAL-PROVINCIAL RELATIONS				
Administration	1,610		2,400	
Materials & Supplies	344		1,000	
Salaries	59,810		61,500	
Travel	114		2,100	
	61,878		67,000	
HUMAN RESOURCE DEVELOPMENT				
ADULT AND CONTINUING EDUCATION				
Administration	233		1,300	
Materials & Supplies	1,316		2,700	
Salaries	89,112		91,200	
Travel	6,840		7,900	
Grants:				
Manpower Training	4,024,569		4,077,100	
Adult Night Classes	105,000		105,000	
Holland College Capital Equipment	76,389		76,500	
Job Development Program	126,000		-	
	4,429,459		4,361,700	
HUMAN RESOURCE DEVELOPMENT				
RESEARCH & ANALYTICAL SERVICES				
Administration	1,266		1,500	
Materials & Supplies	977		1,000	
Salaries	69,613		67,000	
Travel	1,766		2,900	
	73,622		72,400	

DEPARTMENT OF INDUSTRY

	EXPENDITURES		ESTIMATES	
	$	$	$	$
HUMAN RESOURCE DEVELOPMENT				
APPRENTICESHIP AND INDUSTRIAL TRAINING				
Administration	3,930		-	
Materials and Supplies	2,115		-	
Salaries	171,307		-	
Travel	11,085		-	
Grants:				
Apprenticeship Training Allowances	1,000		-	
		189,437		-
TOTAL DEPARTMENT OF INDUSTRY		**$9,249,896**		**$8,928,000**

DEPARTMENT OF INDUSTRY

	REVENUE		ESTIMATES	
	$	$	$	$
DEPARTMENT MANAGEMENT				
Administration				
Fees & Services				
Miscellaneous		-		1,000
Expo '86				
Federal				
Miscellaneous		500,000		-
		500,000		1,000
INDUSTRIAL DEVELOPMENT				
Sales				
Recoveries-Forgivable				
Performance Loan				
Program		22,132		5,000
COMMUNITY ECONOMIC DEVELOPMENT				
Central Administration				
Federal				
Economic Regional				
Development Agreement		107,304		-
East Prince Regional				
Services Centre				
Sales				
- Miscellaneous		2,268		1,000
Eastern Kings Regional				
Services Centre				
Sales - Miscellaneous		1,256		1,300
West Prince Regional				
Services Centre				
Sales - Miscellaneous		13,012		13,700
Southern Kings/Queens				
Regional Service Ctr.				
Fees and Services				
Miscellaneous	385		-	
Sales - Miscellaneous	2,301		1,200	
		2,686		1,200